VZCZCXRO8741 RR RUEHDBU DE RUEHDBU #0582 0901319 ZNY CCCCC ZZH R 311319Z MAR 06 FM AMEMBASSY DUSHANBE TO RUEHC/SECSTATE WASHDC 7081 INFO RUEHRL/AMEMBASSY BERLIN 1499 RUEHLO/AMEMBASSY LONDON 1457 RUCNCIS/CIS COLLECTIVE RUEHBJ/AMEMBASSY BEIJING 1514 RUEHAK/AMEMBASSY ANKARA 1488 RUEHNE/AMEMBASSY NEW DELHI 1427 RUEHBUL/AMEMBASSY KABUL 1414 RUEHIL/AMEMBASSY ISLAMABAD 1468 RUEAIIA/CIA WASHINGTON DC RHEFDIA/DIA WASHINGTON DC RHMFISS/JOINT STAFF WASHINGTON DC RHEHAAA/NATIONAL SECURITY COUNCIL WASHINGTON DC RUMICEA/USCENTCOM INTEL CEN MACDILL AFB FL RUEPGDA/USEUCOM JIC VAIHINGEN GE RUCNDT/USMISSION USUN NEW YORK 1054 RUEHBS/USEU BRUSSELS 0847 RUEHKO/AMEMBASSY TOKYO 1270 RUCPDOC/DEPT OF COMMERCE WASHINGTON DC RUEHDBU/AMEMBASSY DUSHANBE 8250

C O N F I D E N T I A L DUSHANBE 000582

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E.O. 12958: DECL: 3/30/2016 TAGS: <u>PREL PGOV ECON ENRG TI</u>

SUBJECT: GAZPROM SLOWLY STEPS INTO TAJIKISTAN

REF: DUSHANBE 44

CLASSIFIED BY: Richard Hoagland, Ambassador, US Embassy

Dushanbe, State. REASON: 1.4 (b), (d)

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- 11. (C) After three years, and three days of intensive meetings, Gazprom signed an agreement March 28 with the Government of Tajikistan to create a joint venture to explore Tajikistan's southern gas and oil reserves. Deputy Minister of Energy Aslov told PolOffs the Memorandum of Understanding establishing a representative office and launching feasibility studies of Tajikistan's estimated total 125 billion cubic meters natural gas reserves at four separate sites was the realization of a May 2003 agreement to take such steps. Gazprom head Alexey Miller's Dushanbe visit was widely publicized as another important step cementing Russia's and Tajikistan's energy ties, although any gas produced would be for domestic consumption.
- 12. (C) Aslov confirmed press reports that Gazprom intended to develop medium-sized hydropower stations along the Zarafshan River in northwestern Tajikistan. Gazprom will conduct a feasibility study this summer at three potential sites: Fondariy, Oburdon and Yvan. Asked if Gazprom had experience in hydropower, Aslov clucked, "They employ over 300,000 workers and just built a sports complex in Russia," he said, suggesting a hydropower station was just another large structure. Aslov stressed that this would be a much needed "green-field" investment and Gazprom's motivation was purely financial.
- 13. (C) Aslov made another pitch for U.S. investment in the oil and gas sectors (reftel). Referring to his trip to the Unites State Geological Survey headquarters in Colorado in Summer 2005,

he noted that American technology and equipment was far superior to that of Russia and other countries, and would be perfect to help exploit Tajikistan's deep reserves. His deputy, Oil, Gas and Coal Department Head (and SABIT exchange alumnus) Kurbonkhol Bobokholonov noted that "eight years ago" he read about "a drill that could go 10 km horizontally. Surely it could drill 6 km vertically!" Aslov commented he was looking for a response from the U.S. Trade and Development Agency about possible technical assistance for the exploring the gas fields. He reported that unlike in hydropower, the Chinese had expressed no interest in oil or gas projects.

14. (C) COMMENT: As Deputy Minister for Oil, Gas, and Coal Aslov's portfolio has lately not been as high-profile as that of his hydropower colleagues. Tajikistan's gas reserves are small and deep, and likely not yet of interest to most foreign investors. The agreement with Gazprom shows Russia is interested in maintaining its dominance of Tajikistan's energy sector. Its true commitment will be demonstrated by how quickly Gazprom selects a head for its representative office and when exploratory work begins. END COMMENT.

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